



DIRECTIVE 05-4

April 6, 2005

PLAN OF ASSESSMENT

Purpose. The purpose of this directive is to advise assessors on changes in the requirements of the assessor's plan of assessment, pursuant to Neb. Laws 2005, LB 263, Section 9. The former provisions relating to the assessor's 5-year plan of assessment in Neb. Rev. Stat. §77-1311(8) were repealed and the new language of LB 263 Section 9 instituted a 3-year plan of assessment. LB 263 passed with an emergency clause and was signed by the governor on March 9, 2005 and therefore, these changes are effective immediately.

Procedure and Implementation.

Filing dates. On or before June 15 each year the county assessor shall prepare a plan of assessment and shall present the plan of assessment to the county board of equalization on or before July 31. The county assessor may amend the plan of assessment, if necessary, after the budget is approved by the county board. On or before October 31 of each year the county assessor shall mail a copy of the plan and any amendments to the Department of Property Assessment & Taxation.

Assessment years for plan. The plan of assessment prepared each year, shall describe the assessment actions the county assessor plans to make for the next assessment year and two years thereafter. For example, the assessment plan prepared on or before June 15, 2005 shall describe the assessor's assessment actions planned for assessment years 2006, 2007, and 2008. The assessment plan prepared on or before June 15, 2006 shall describe actions planned for assessment years 2007, 2008, and 2009.

Contents required. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan of assessment shall describe, for each assessment year, all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions.

While the primary focus of the assessment plan should be the assessment actions planned for real property, it is considered relevant to document other functions required of the assessor's office and available resources, as they impact the ability to achieve the assessment actions planned.

The plan of assessment is a valuable tool for the county assessor's office in establishing accurate and efficient assessment practices, goals for future assessment actions, and demonstrating resources or funding needed to achieve these objectives and perform all other statutory functions.

The plan of assessment for each county will vary depending on type and quantity of property and available resources. The attached template and outline of topics are offered merely as a guideline to assist the assessor in preparing the plan of assessment.

APPROVED

Catherine D. Lang
Property Tax Administrator
April 6, 2005

Guideline

**2005 Plan of Assessment for Sample County
Assessment Years 2006, 2007, and 2008
Date: June 15, 2005**

Plan of Assessment Requirements:

Pursuant to Neb. Laws 2005, LB 263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment, (herein after referred to as the “plan”), which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

Real Property Assessment Requirements:

All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation adopted by the legislature. The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as “the market value of real property in the ordinary course of trade.” Neb. Rev. Stat. §77-112 (Reissue 2003).

Assessment levels required for real property are as follows:

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
- 2) 80% of actual value for agricultural land and horticultural land; and
- 3) 80% of special value for agricultural and horticultural land which meets the qualifications for special valuation under §77-1344 and 80% of its recapture value as defined in §77-1343 when the land is disqualified for special valuation under §77-1347.

Reference, Neb. Rev. Stat. §77-201 (R. S. Supp 2004).

General Description of Real Property in XXXX County:

Per the 2005 County Abstract, XXXX County consists of the following real property types:

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	XXXXXX	XX%	XX%
Commercial	XXXXXX	XX%	XX%
Industrial	XXXXXX	XX%	XX%
Recreational	XXXXXX	XX%	XX%
Agricultural	XXXXXX	XX%	XX%
Special Value	XXXXXX	XX%	XX%

Agricultural land - taxable acres XXXXXX (*e.g. if predominant property in your county*)

Other pertinent facts: (*e.g. XX % of county is agricultural and of that XX% consists primarily of grassland or the county consists predominantly of residential and commercial property*)

New Property: For assessment year 2005, an estimated XXX building permits and/or information statements were filed for new property construction/additions in the county.

For more information see 2005 Reports & Opinions, Abstract and Assessor Survey.

Current Resources (*for example describe*):

- A. Staff/Budget/Training
- B. Cadastral Maps accuracy/condition, other land use maps, aerial photos
- C. Property Record Cards - quantity and quality of property information, current listings, photo, sketches, etc.
- D. Software for CAMA, Assessment Administration, GIS
- E. Web based – property record information access

Current Assessment Procedures for Real Property (*for example describe*):

- A. Discover, List & Inventory all property (*e.g. how you handle processes for Real Estate Transfers & ownership changes, Sales Review, building permits/information statements*).
- B. Data Collection (*e.g. frequency & method of physical property inspections, listing, gather market and income data*).
- C. Review assessment sales ratio studies before assessment actions (*e.g. how you perform A/S ratio studies internally or work with Field Liaison on analysis of A/S ratio studies*).
- D. Approaches to Value (*e.g. how you perform mass appraisal techniques or calibrate models, etc*);
 - 1) Market Approach; sales comparisons,
 - 2) Cost Approach; cost manual used & date of manual and latest depreciation study,
 - 3) Income Approach; income and expense data collection/analysis from the market,

- 4) Land valuation studies, establish market areas, special value for agricultural land
- E. Reconciliation of Final Value and documentation
- F. Review assessment sales ratio studies after assessment actions.
- G. Notices and Public Relations

Level of Value, Quality, and Uniformity for assessment year 2005:

<u>Property Class</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	XX	XXXX	XXXXXX
Commercial	XX	XXXX	XXXXXX
Agricultural Land	XX	XXXX	XXXXXX
Special Value Agland	XX	XXXX	XXXXXX

*COD means coefficient of dispersion and PRD means price related differential.
For more information regarding statistical measures see 2005 Reports & Opinions.

Assessment Actions Planned for Assessment Year 2006:

Residential (and/or subclasses):

Commercial (and/or subclasses):

Agricultural Land (and/or subclasses):

Special Value – Agland:

Assessment Actions Planned for Assessment Year 2007:

Residential (and/or subclasses):

Commercial (and/or subclasses):

Agricultural Land (and/or subclasses):

Special Value – Agland:

Assessment Actions Planned for Assessment Year 2008:

Residential (and/or subclasses):

Commercial (and/or subclasses):

Agricultural Land (and/or subclasses):

Special Value - Agland

Other functions performed by the assessor's office, but not limited to:

(Optional Section as it may be relevant to achieving assessment actions planned - for example describe):

1. Record Maintenance, Mapping updates, & Ownership changes
2. Annually prepare and file Assessor Administrative Reports required by law/regulation:
 - a. Abstracts (Real & Personal Property)
 - b. Assessor Survey
 - c. Sales information to PA&T rosters & annual Assessed Value Update w/Abstract
 - d. Certification of Value to Political Subdivisions
 - e. School District Taxable Value Report
 - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
 - g. Certificate of Taxes Levied Report
 - h. Report of current values for properties owned by Board of Education Lands & Funds
 - i. Report of all Exempt Property and Taxable Government Owned Property
 - j. Annual Plan of Assessment Report
3. Personal Property; administer annual filing of XX schedules, prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.
4. Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.
5. Taxable Government Owned Property – annual review of government owned property not used for public purpose, send notices of intent to tax, etc.
6. Homestead Exemptions; administer XX annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.

7. Centrally Assessed – review of valuations as certified by PA&T for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Increment Financing – management of record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.
9. Tax Districts and Tax Rates – management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process.
10. Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.
11. Tax List Corrections – prepare tax list correction documents for county board approval.
12. County Board of Equalization - attend county board of equalization meetings for valuation protests – assemble and provide information
13. TERC Appeals - prepare information and attend taxpayer appeal hearings before TERC, defend valuation.
14. TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
15. Education: Assessor and/or Appraisal Education – attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification and/or appraiser license, etc. (e.g. XX hours and/or frequency)

Conclusion:

Summarize current budget request & resources needed for the future to achieve assessment actions planned.

Respectfully submitted:

Assessor signature: _____ Date: _____

Copy distribution: Submit the plan to county board of equalization on or before July 31 of each year. Mail a copy of the plan and any amendments to Dept. of Property Assessment & Taxation on or before October 31 of each year.